

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1685 - SB 1642

February 9, 2016

SUMMARY OF BILL: Exempts any property or portion of the property classified as agricultural, forest, or open space under the Agricultural, Forest, and Open Space Land Act from being assessable for rollback taxes, if the land is disqualified due to a change in the law or as a result of an assessor's correction of a prior error of law or fact. Specifies that a change in law or an assessor's correction of prior error will not relieve a property owner of rollback tax liability if other disqualifying circumstances occur before the property has been assessed at market value for three years. Owners of such property shall also remain liable for rollback taxes if the erroneous classification resulted from any fraud, deception, intentional misrepresentation, misstatement, or omission of full statement by the property owner or the property owner's designee.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Exceeds \$500/Per Parcel

Assumptions:

- Owners of land that falls under the Agricultural, Forest, and Open Space Land Act, codified in Tenn. Code Ann. §§ 67-5-1001 through 1050, currently receive a property tax break due the land's classification under these provisions.
- Rollback taxes are paid by land owners if the land is reclassified from an agricultural, forest, or open space parcel to some other classification.
- Exempting property previously disqualified from receiving a property tax break from payment of rollback taxes due to a change in law or property tax assessor error will lead to a recurring decrease in local tax revenue collections reasonably estimated to exceed \$500 per parcel.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/amj

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